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Earth Day Blitz Aimed at Regulatory Reform

April 22 is Earth Day. This year, the Clinton Administration is teaming up with the professional environmental lobby — with their \$2 million advertising campaign — to conduct a media and grassroots blitz, including a rally in Washington, D.C. on Earth Day. The focus of this joint campaign is to create opposition to the regulatory reform provisions in the House Republicans' Contract with America and to any environmental reauthorizations in this Congress that might moderate mandates on Americans. The Administration/environmentalist lobby message is generally as follows:

Republicans Are Anti-Environment: The Republican Congress will "reverse" or "roll back" "25 years of environmental projections," "undermine 25 years of health and safety projections," and reward polluters. Implicit in the message is that there is still an environmental crisis in America that demands ever higher levels of federal regulation and enforcement, as well as more donations to the professional environmental lobby.

Suggested Talking Points

To address these Administration and the environmental establishment drumbeats, this paper provides some talking points that support the following suggested response themes:

- The Clinton Administration and the professional environmental lobby are intentionally mischaracterizing the rollback effect of Republican regulatory reform legislation by demagoguing that it will "roll back" real environmental protections;
- America should be proud of its environmental record;
- Republicans have been part of the movement toward responsible, long-term environmental progress;
- After having spent almost \$2 trillion on direct environmental compliance since 1970, Americans have every right to review how their \$150 billion per year is being used, especially compared to other health risks Americans are facing; and
- Republicans' vision for the future includes: reviewing existing regulations; using unbiased scientific findings to assess risks; prioritizing regulatory requirements so that the greatest risks are treated first; ensuring that future compliance costs are justified by the benefits of those regulations; and ensuring that future federal regulations do not impinge upon private property nor impose new unfunded mandates on state and local governments.

Environmentalists Mischaracterize Regulatory Reform

The Clinton Administration and the professional environmental lobby are intentionally misrepresenting what Republican regulatory reform measures would do. The regulatory reform bill that has passed the House and the legislation under consideration in the Senate do not "repeal," "roll back," or "undermine" any existing regulation. Regulatory reform would require agencies to conduct unbiased risk assessments and honest cost-benefit analyses for future regulations that are estimated to increase costs by at least \$25 million-\$50 million.

However, while the goals of basic environmental statutes are held by Republicans, 25 years of experience with environmental regulation has demonstrated that there is substantial waste of resources in the way in which our environmental laws are administered. Accordingly, the Congress may decide to modify basic environmental statutes, such as the Endangered Species Act and Superfund, in the hope that the goals expressed in those and other environmental statutes can be achieved in a much more cost-effective manner.

America's Environmental Record

- From 1970 to 1990, Americans' life expectancy increased by more than 4.1 years for women and 4.7 years for men.
- The 1990 cancer death rate, if lung cancer (which is primarily due to smoking) is excluded, is 14 percent below 1950 levels.
- The United States has made much progress on reducing pollution:
 - Sulphur dioxide emissions per capita are down 60 percent from the peak in 1920, and are down 6 percent by volume since 1984.
 - Lead air emissions have decreased 88 percent since 1984.
 - Both particulate and carbon monoxide emissions per capita have declined more or less continuously since World War II. Inhalable particulates are down 79 percent since 1940 (down 10 percent by volume since 1984), and carbon monoxide is down 53 percent since 1945 (down 15 percent by volume since 1984).
 - Volatile organic compounds emissions (contributors to smog) per capita stayed roughly constant between 1925 and 1970 before they began to decline; in 1992 they were down 36 percent from the peak.
 - Nitrogen oxide per capita is down 10 percent from its peak levels in 1980.

Republicans Are Environmentalists Too

- The "roll back" and "repeal" hype are as much overheated rhetoric as the clamors that Republicans will starve school children and freeze the elderly. The debate has never been about wholesale repeal of basic environmental statutes. Major environmental legislation has been passed with bipartisan support. Republicans are going to force federal agencies to consider the costs of continuing to chase the last molecule of a pollutant, which will, hopefully, reduce the rate of growth of future environmental regulatory burdens. In addition, this Congress may address those specific regulations and selected statutory provisions that have extremely high price tags with little or no net environmental benefit.
- The Environmental Protection Agency is obsessed with proving how bad the environment is and ignoring real environmental successes, such as the improving air in most urban areas. After all, its appropriations require there always to be more pollution to control and polluters to catch. Moreover, in many cases, Congress has not even permitted the EPA to consider economic costs, hardships on individuals, or losses of standard of living when setting environmental standards.
- Republicans have a strong record of analyzing alleged environmental problems before jumping to costly solutions that may not be necessary. For example, under President Bush, the total federal research budget to study the world's climate was increased to over \$1 billion per year.

Reallocating Resources to Achieve Greatest Benefits

- Americans have spent an estimated \$1.56 trillion on direct environmental regulatory compliance between 1977 and 1994, according to economist Thomas Hopkins' 1992 estimates, which are considered the seminal study of regulatory burden. The National Association of Manufacturers estimates the total compliance costs since 1970 total \$2 trillion. According to Hopkins, annual direct environmental compliance is costing Americans \$150 billion per year, and rising faster than any other category of federal regulations. The indirect cost and long-term GDP losses from environmental regulation have been substantially higher. After 20 years, it is certainly time to reassess how we are going to allocate the more than \$1 trillion that Hopkins estimated would be spent over the next six years on environmental protection.
- Environmental regulations are increasingly directed to smaller and smaller real health risks.
- After 25 years of environmental regulation and clean-up, and with the increased sensitivity of pollution measurement instruments that can now detect one part-per-trillion, EPA is focusing on eliminating smaller marginal risks. For example, EPA rules to control "trihalomethanes" in 1979 was calculated to save 322 lives per year,

at a cost estimated to be about \$300,000 per life saved. By contrast, EPA's 1986 land disposal rules are estimated to save less than 2.5 lives per year at a cost of \$3.5 billion per life saved. More recently, EPA's March 13, 1995, final rule for Great Lakes Water Quality Guidance, is expected to cost \$2 billion per year to avoid a maximum of 46 cancer cases (not deaths) per year, assuming a 70-year lifetime exposure period). Even these estimates of health benefits are suspect, given the use of conservative assumptions of human cancer risks scaled up from animal cancer tests, and EPA's inherent tendency to overestimate benefits and underestimate costs to justify the agency's policy goals.

- Pollution-related deaths are a tiny fraction of all deaths, or even of health-related deaths. According to Berkeley professors Bruce Ames and Lois Swirsky Gold, pollution appears to account for less than one percent of human cancer, the most common cause of death in America. By contrast, tobacco smoke is estimated to cause approximately one-third of all U.S. cancers and about one-quarter of U.S. heart disease.
- While \$1,500 per year per household may not be too high a price for environmental safety, Americans deserve a commitment from the federal government that their \$1,500 is being well spent, such as on eliminating pollution instead of jobs. Moreover, that \$1,500 must be put in context as only part of the regulatory and tax burdens imposed on every American:
 - Federal regulations overall are estimated to have cost over \$630 billion in 1994, about half as much as the entire federal gross tax receipts in 1994.
 - The tax and regulatory burden on each American household is approximately \$20,000 per year and growing. Thus, future increases, in taxes or in regulation, must be prioritized to "buy" the best possible health, safety, national defense, medical care and environmental protection, for our payments.
- Finally, in many cases environmental regulatory costs are being wasted on expensive programs that do little to improve human health and the environment. The regulators have been obsessed with "command and control" and process compliance, rather than overall results. For example, companies should be given incentives to use the best technologies and given the flexibility to use the most cost-effective ways of meeting environmental goals.

Republican Recommendations for the Future

- To continue improvement of the environment, economic growth must be strong so that we can afford to pay for new technologies, research, and clean-up of past and current pollution.

- Federal agencies must begin to base major regulations on the following principles:
 - Assess health benefits based on unbiased science;
 - Conduct honest cost-benefit analyses of alternatives to meet the real health risks;
 - Meet the statutory goals with the alternative that is the least burdensome on state, local and tribal governments, private landowners, small businesses, and the private sector; and
 - Provide appropriate judicial review of the final agency rule to ensure agency compliance with the above principles.
- However, even if the 45-day Congressional review bill (S. 219) becomes law, it is not the proper role of Congress to be the nanny for the federal agencies. Instead, Congress must insist that the agencies get it right the first time, which will be more likely with appropriate judicial review of the agency's risk assessments and cost-benefit analysis.

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